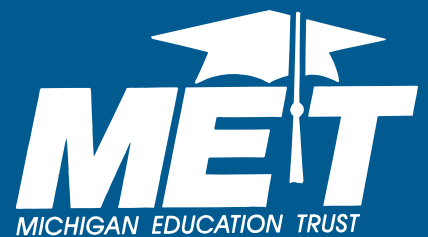
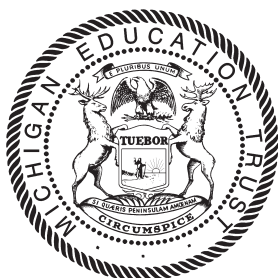


# THEY'LL NEVER OUTGROW AN EDUCATION



**2010-2011 ANNUAL REPORT**

CONTRACT PLAN D



This report is available at **[www.SETwithMET.com](http://www.SETwithMET.com)**.  
To have a copy mailed to you, call  
1-800-MET-4-KID.



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RICK SNYDER  
GOVERNOR

ANDY DILLON  
STATE TREASURER

April 2012

Dear MET Participants:

We are pleased to present the Fiscal Year 2010-11 Annual Report for the Michigan Education Trust (MET) program. By law, an actuarial evaluation must be performed annually to determine MET's ability to pay future benefits. The actuary report prepared by Gabriel Roeder Smith & Company for contracts purchased after 1995 (referred to in this Annual Report as Plan D contracts) as of September 30, 2011, is available on-line at **[www.SETwithMET.com](http://www.SETwithMET.com)**.

*If you have not yet purchased full four-year contracts, we encourage you to consider additional purchases this year. The 2012 enrollment period is currently open and ends August 31, 2012.* Please feel free to call the MET office with any questions or concerns you may have at (800) MET-4-KID (638-4543) or (517) 335-4767 in the greater Lansing area. You may also e-mail us at **[TreasMET@michigan.gov](mailto:TreasMET@michigan.gov)**.

Sincerely,

Handwritten signature of Andy Dillon.

Andy Dillon  
MET Chairman  
State Treasurer

Handwritten signature of Robin R. Lott.

Robin R. Lott  
Executive Director  
Michigan Education Trust

## ***MET BOARD AND LEADERSHIP***

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A nine-member Board of Directors administers the Michigan Education Trust (MET) program. Board members are responsible for policy development, investment initiatives, program development and implementations. The Governor, on advice and consent of the Senate, appoints MET Board members, who represent expertise in business, academics or finance. The State Treasurer, Andy Dillon, serves as Chairperson. Robin Lott, Executive Director, serves as liaison to the MET Board of Directors and administers MET operations.

### **MICHIGAN EDUCATION TRUST BOARD OF DIRECTORS**

MR. ANDY DILLON  
State Treasurer  
MET Chair

MR. ROBERT A. BOWMAN  
MET President  
President & CEO, MLB Advanced Media, L.P.

DR. THOMAS P. SULLIVAN  
MET Vice President  
President, Cleary College

DR. SUSAN W. MARTIN  
President, Eastern Michigan University

DR. GAIL MEE  
President, Henry Ford Community College

DR. MARLENE E. DAVIS  
CEO Leadership Strategies L.L.C.

MR. GREGORY CLEVINGER  
Teacher, Rochester Adams High School

MR. ELIYA (LOUIE) BOJI  
Founder & Managing Member, Boji Group

MR. DONAT LECLAIR

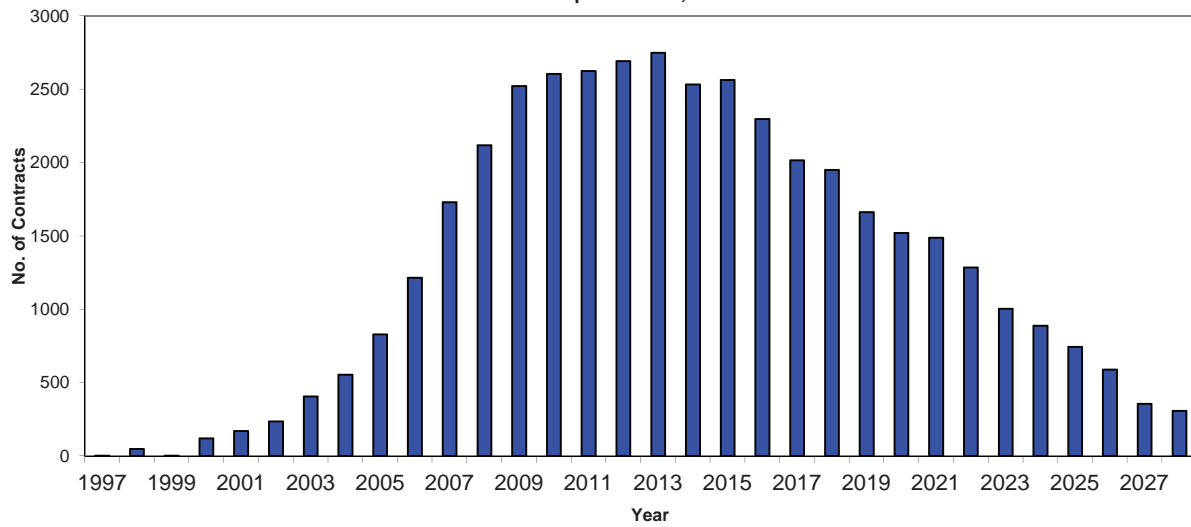
## ***THE MET PROGRAM***

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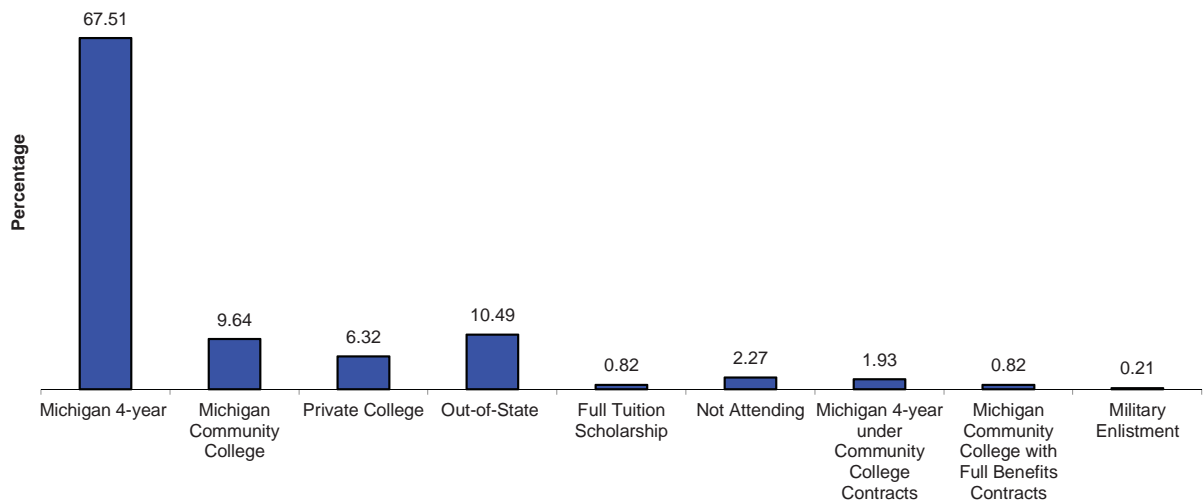
MET was established pursuant to Public Act 316 of 1986 as Michigan's prepaid tuition program. MET is a "qualified tuition program" under Section 529 of the Internal Revenue Code which provides tax exemption for the trust and tax exemption of earnings for contract participants who use MET funds to pay for qualified higher education expenses.

MET allows parents, grandparents, businesses, and others to make contributions at the current rate of tuition for a child to attend any Michigan public college in the future. Michigan is the first state in the nation to enact legislation for a prepaid tuition program. Today, all 50 states have established similar prepaid or college savings programs.

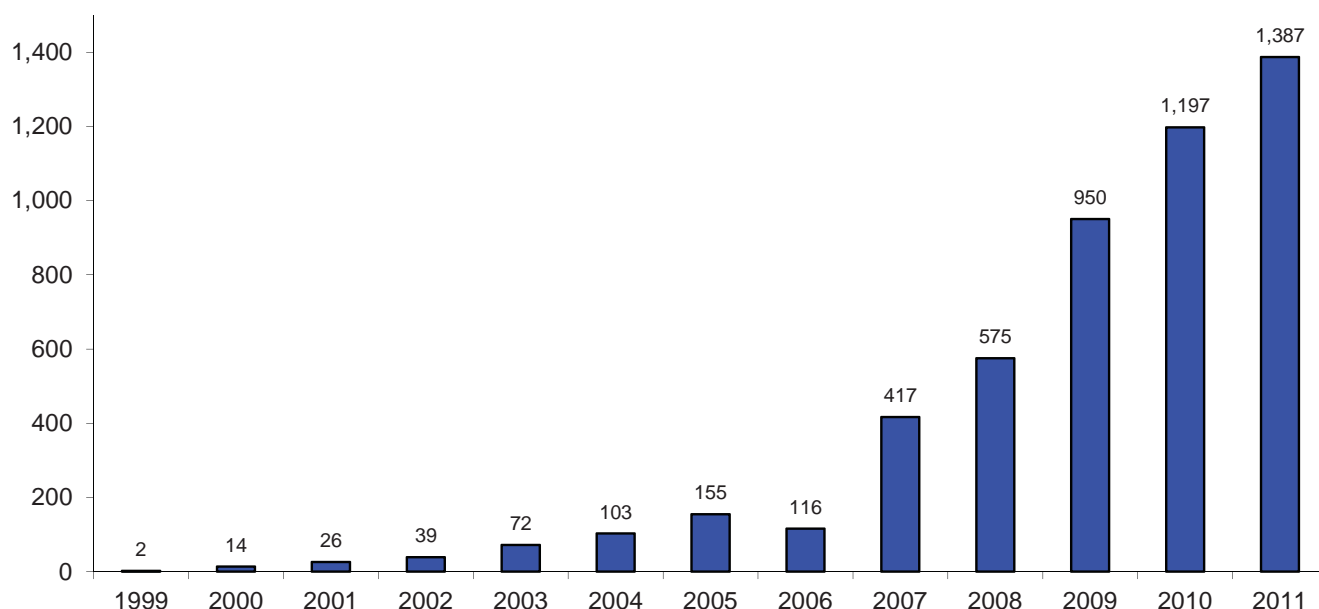
Contracts by Academic Year  
Beneficiary is Expected to Attend College  
Under Plan D  
As of September 30, 2011



Contracts in Payment Status  
Plan D  
As of September 30, 2011



Contracts Paid in Full  
Under Plan D  
As of September 30, 2011



## TESTIMONIALS

*"MET contracts I purchased were my best investments ever!"* Jim Decker, Purchaser

*"Just a call out to Michigan's pioneering MET program! We were the average middle-class family in the mid- '90s when we decided to buy limited benefits MET contracts for our two boys. We had no investing experience and we knew a savings account wouldn't pile up soon enough. Number-one son is just about to graduate from MSU debt-free, and his MET contracts played the most important role in that status. While we had moved and wondered if we'd located the proper paperwork, initiating MET through MSU's billing office was very easy and the benefit showed up automatically each semester. We know of other families who have tried to pay for college through other investment tactics that didn't grow as expected - particularly this last decade. However, our MET was worry-free and delivered as promised."* Denise Donohue, Patrick Yockey, Purchasers

*Since 1988, 96% of high school graduates  
with a MET contract have gone on to  
attend a college or university.*



January 31, 2012

Ms. Robin Lott  
Executive Director  
Michigan Education Trust  
P.O. Box 30198  
Lansing, MI 48909

Dear Ms. Lott:

At your request, Gabriel, Roeder, Smith & Company ("GRS") has performed an actuarial soundness valuation of the Michigan Education Trust – Plan D ("MET") as of September 30, 2011. The purpose of this actuarial valuation is to evaluate the financial viability of the program as of September 30, 2011.

The actuarial soundness valuation results are based upon data and information, furnished by MET, concerning program benefits, financial transactions, and beneficiaries of MET as of September 30, 2011. We reviewed this information for internal and year-to-year consistency, but did not otherwise audit the data.

As of September 30, 2011, the present value of all future tuition obligations under contracts outstanding (and including estimated future administrative expenses) at that date is \$864.0 million. Fund assets as of September 30, 2011, including the market value of program assets and the present value of installment contract receivables, are \$648.3 million. The difference between the market value of assets of \$648.3 million and program obligations of \$864.0 million represents a program deficit of \$215.7 million.

The actuarial soundness valuation involves actuarial calculations that require assumptions about future events. The major actuarial assumptions used in the actuarial soundness valuation were provided by and are the responsibility of MET. All calculations have been made in conformity with generally accepted actuarial principles and practices commonly applicable to similar types of arrangements.

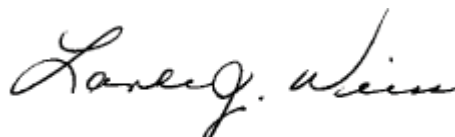
To the best of our knowledge, the information contained in the actuarial soundness valuation report is accurate and fairly presents the actuarial position of the Michigan Education Trust – Plan D as of September 30, 2011.

Respectfully submitted,

Gabriel, Roeder, Smith and Company



Alex Rivera, FSA, MAAA, EA, FCA  
Senior Consultant



Lance Weiss, EA, MAAA, FCA  
Senior Consultant





STATE OF MICHIGAN  
OFFICE OF THE AUDITOR GENERAL  
201 N. WASHINGTON SQUARE  
LANSING, MICHIGAN 48913  
(517) 334-8050  
FAX (517) 334-8079

THOMAS H. MCTAVISH, C.P.A.  
AUDITOR GENERAL

Independent Auditor's Report on  
the Financial Statements

Mr. Andy Dillon, State Treasurer and Chair  
Michigan Education Trust Board of Directors  
and  
Ms. Robin R. Lott, Executive Director  
Michigan Education Trust  
Richard H. Austin Building  
Lansing, Michigan

Dear Mr. Dillon and Ms. Lott:

We have audited the statement of net assets (deficit); the statement of revenues, expenses, and changes in net assets (deficit); and the statement of cash flows of the Michigan Education Trust Plan D, a discretely presented component unit of the State of Michigan, as of and for the fiscal years ended September 30, 2011 and September 30, 2010. These financial statements are the responsibility of the Michigan Education Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the financial statements present only the Michigan Education Trust Plan D and do not purport to, and do not, present fairly the financial position of the State of Michigan or its component units, or the Michigan Education Trust Plans B and C, as of September 30, 2011 and September 30, 2010 and the changes in financial position and cash flows thereof for the fiscal years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Michigan Education Trust Plan D as of September 30, 2011 and September 30, 2010 and the changes in financial position and cash flows for the fiscal years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2012 on our consideration of the Michigan Education Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Sincerely,

A handwritten signature in black ink, reading "Thomas H. McTavish".

Thomas H. McTavish, C.P.A.  
Auditor General  
February 14, 2012



# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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This is a discussion and analysis of the financial performance of the Michigan Education Trust (MET) Plan D for the fiscal years ended September 30, 2011 and September 30, 2010. MET is an Internal Revenue Code Section 529 qualified tuition program and is a discretely presented component unit of the State of Michigan, administratively located within the Department of Treasury. MET's management is responsible for the financial statements, notes to the financial statements, and this discussion.

## **Using the Financial Report**

This financial report includes the report of independent auditors, management's discussion and analysis, the basic financial statements, and notes to the financial statements.

The reporting standards in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, require a statement of net assets (deficit); a statement of revenues, expenses, and changes in net assets (deficit); and a statement of cash flows. These financial statements are interrelated and represent the financial status of MET Plan D.

The statement of net assets (deficit) includes the assets, liabilities, and net assets (deficit) at the end of the fiscal year. The statement of revenues, expenses, and changes in net assets (deficit) presents the revenues earned and expenses incurred during the fiscal year. The statement of cash flows presents information related to cash inflows and outflows summarized by operating and investing activities.

## **Financial Analysis of MET Plan D**

The MET Board of Directors approves an annual budget and the investment portfolio allocation. The Bureau of Investments, Department of Treasury, under the direction of the MET Board of Directors, is responsible for short-term and long-term investment of MET funds. The MET portfolio for Plan D may be invested up to 75% in equities with the remainder invested in short-term investments, U.S. government securities, and corporate bonds.

MET funds are invested to coincide with the students' expected years of high school graduation. After students activate their contracts, colleges and universities submit invoices to MET every semester for tuition and mandatory fees. In 2006, the MET Board approved an amendment allowing students 15 years from the expected year of high school graduation to completely use MET contract benefits. Before that change, students had 9 years to use MET contract benefits.

Annually, the actuary determines the actuarial soundness of each MET plan. Key factors used in the soundness analysis are tuition increases (short-term and long-term), investment performance, and college selection by students and purchasers.

MET Plan D received 2,814 new contracts and \$52.2 million in prepaid tuition amounts during fiscal year 2010-11. In fiscal year 2009-10, MET received 1,975 new contracts and \$30.6 million in prepaid tuition amounts. In fiscal year 2008-09, MET received 2,225 new contracts and \$45.3 million in prepaid tuition amounts.

## Comparison of Current Year and Prior Year Results

### **Condensed Financial Information From the Statement of Net Assets (Deficit)**

As of September 30  
(In Thousands)

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Current assets	\$ 79,368	\$ 82,624	\$ 89,783
Noncurrent assets	571,949	555,042	503,246
Total assets	<u>\$ 651,316</u>	<u>\$ 637,666</u>	<u>\$ 593,029</u>
Current liabilities	\$ 58,998	\$ 48,705	\$ 37,386
Noncurrent liabilities	808,035	716,574	608,311
Total liabilities	<u>\$ 867,033</u>	<u>\$ 765,279</u>	<u>\$ 645,697</u>
Net assets (deficit) - Unrestricted	<u>\$ (215,716)</u>	<u>\$ (127,613)</u>	<u>\$ (52,668)</u>
Total net assets (deficit)	<u><u>\$ (215,716)</u></u>	<u><u>\$ (127,613)</u></u>	<u><u>\$ (52,668)</u></u>

**Total net assets** decreased by \$88.1 million in fiscal year 2010-11 and decreased by \$74.9 million in fiscal year 2009-10. The net assets decreased during fiscal year 2010-11 due to decreases in the fair value of investments at year-end, tuition increases higher than expected, and a change in the discount rate and tuition increase assumption. The net assets decreased during fiscal year 2009-10 due to the change in the actuarial assumption for the investment yield from 9.5% to 7.4%, which resulted in an increase in the tuition benefits payable.

**Current assets** decreased by \$3.3 million in fiscal year 2010-11 and decreased by \$7.2 million in fiscal year 2009-10. These decreases were caused by the decrease in cash and cash equivalents and increases in the long-term investment portfolios.

**Total assets** increased by \$13.7 million in fiscal year 2010-11 and increased by \$44.6 million in fiscal year 2009-10. These increases resulted from the sale of new contracts.

**Total liabilities** increased by \$101.8 million in fiscal year 2010-11 and increased by \$119.6 million in fiscal year 2009-10. These changes were a direct result of the changes in the actuarial assumptions. During fiscal year 2010-11, the MET Board of Directors decreased the investment yield from 7.4% to 7.01%, which resulted in an increase to the tuition benefits payable. During fiscal year 2009-10, the MET Board of Directors decreased the investment yield from 9.5% to 7.4%, which resulted in an increase to the tuition benefits payable. The assumption changes were based on a less than expected recovery in the investment yields.

**Condensed Financial Information**  
**From the Statement of Revenues, Expenses, and**  
**Changes in Net Assets (Deficit)**  
Fiscal Years Ended September 30  
(In Thousands)

	2011	2010	2009
Operating revenues			
Interest and dividends income	\$ 12,581	\$ 11,085	\$ 12,935
Net increase (decrease) in the			
fair value of investments	(12,963)	33,440	(12,382)
Other miscellaneous income	63	46	69
Total operating revenues	<u>\$ (320)</u>	<u>\$ 44,572</u>	<u>\$ 622</u>
Operating expenses			
Salaries and other administrative expenses	\$ 2,948	\$ 2,731	\$ 2,026
Tuition benefit expense (credit)	84,835	116,786	(74,623)
Total operating expenses	<u>\$ 87,783</u>	<u>\$ 119,517</u>	<u>\$ (72,597)</u>
Operating income (loss)	<u>\$ (88,103)</u>	<u>\$ (74,945)</u>	<u>\$ 73,220</u>
Increase (Decrease) in net assets	\$ (88,103)	\$ (74,945)	\$ 73,220
Net assets (deficit) - Beginning of fiscal year	<u>(127,613)</u>	<u>(52,668)</u>	<u>(125,887)</u>
Net assets (deficit) - End of fiscal year	<u><u>\$ (215,716)</u></u>	<u><u>\$ (127,613)</u></u>	<u><u>\$ (52,668)</u></u>

The **net increase (decrease) in the fair value of investments** decreased \$46.4 million in fiscal year 2010-11 and increased by \$45.8 million in fiscal year 2009-10 primarily because of the changes in the fair value of investments in equities.

**Tuition benefit expense** decreased \$32.0 million in fiscal year 2010-11 and increased by \$191.4 million in fiscal year 2009-10. These changes were a direct result of the changes in the actuarial assumptions adopted by the MET Board of Directors.

The **deficit in net assets - end of fiscal year** increased by \$88.1 million in fiscal year 2010-11 and increased by \$74.9 million in fiscal year 2009-10. The increase in both fiscal years resulted primarily from unfavorable investment performance and higher increases in tuition and fees.

**Condensed Financial Information**  
**From the Statement of Cash Flows**  
Fiscal Years Ended September 30  
(In Thousands)

	2011	2010	2009
Net cash provided (used) by:			
Operating activities	\$ 26,533	\$ 13,547	\$ 41,583
Investing activities	(28,577)	(19,634)	(23,111)
Net cash provided (used) - All activities	\$ (2,044)	\$ (6,087)	\$ 18,472
Cash and cash equivalents - Beginning of fiscal year	64,141	70,228	51,756
Cash and cash equivalents - End of fiscal year	<u>\$ 62,096</u>	<u>\$ 64,141</u>	<u>\$ 70,228</u>

The **net cash provided by operating activities** increased by \$13.0 million in fiscal year 2010-11 and decreased by \$28.0 million in fiscal year 2009-10. The increase and decrease were attributed primarily to an increase and a decrease, respectively, in contract enrollment.

The **net cash used by investing activities** increased by \$8.9 million in fiscal year 2010-11 because of the increased amount of cash available for investment purposes and decreased by \$3.5 million in fiscal year 2009-10. The decrease of \$3.5 million in fiscal year 2009-10 indicates that a greater percentage of new purchases of investments were funded with cash from the sale and maturities of prior investments instead of cash from operations.

More prepaid contracts were sold during open enrollment for fiscal year 2010-11 compared to fiscal year 2009-10. This improvement in new enrollments resulted in a 70.8% increase in prepaid tuition amounts received compared to amounts received in fiscal year 2009-10.

**Factors Impacting Future Periods**

Prepaid tuition receipts translate into an increase in the tuition liability; however, the actuarial soundness of MET is based in part on new contracts being purchased, market performance of investments, and factors affecting estimates of future tuition benefits. As stated in the actuary's report, MET Plan D is 75.0% funded and is expected to pay benefits through 2020 even if no new contracts are issued. The MET Plan D actuary's cash flow report expects tuition payments to students activating their contracts to be:

Fiscal Years Ending	Expected Tuition Payments	Expected Number of Contracts
2012 - 2014	\$272,221,666	7,975
2015 - 2017	\$271,364,832	6,878
2018 - 2020	\$267,556,687	5,135
2021 - 2023	\$243,475,924	3,778
After 2023	\$379,822,032	2,958

The enrollment period for 2009 was from September 3, 2008 through August 31, 2009. The enrollment period for 2010 was from November 2, 2009 through June 30, 2010. The enrollment period for 2011 was from November 1, 2010 through June 30, 2011. New enrollment contract prices are adjusted annually to reflect changes in tuition costs and investment earnings and will increase cash, future tuition benefits payable, and the asset base of MET Plan D.

The MET Board of Directors reviews asset allocation and investment performance on a quarterly basis to balance investment risk and maximize rates of return. At the beginning of fiscal year 2007-08, the MET Board changed the long-term investment portfolio strategy to address the unfunded liability issue. The new MET Plan D target portfolio for investment is now 25% in fixed income securities (short-term investments, U.S. government securities, and corporate bonds) and 75% in equities (mutual funds).

It is expected that Michigan public universities may continue to adopt higher tuition rates in subsequent years as the State appropriated funds remain flat. The average yearly tuition increase over the last 20 years has been 7.0% for four-year universities and 4.4% for two-year community colleges, compared to the actuarial assumption of 7.1% for both types of contracts.

**MICHIGAN EDUCATION TRUST PLAN D**  
**Statement of Net Assets (Deficit)**  
**As of September 30**

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 62,096,379	\$ 64,140,578
Tuition contracts receivable (Note 4)	15,715,049	17,049,998
Interest and dividends receivable	1,515,929	1,401,716
Amounts due from contract purchaser	9,075	31,636
Amounts due from others	31,222	
Total current assets	<u>\$ 79,367,654</u>	<u>\$ 82,623,928</u>
Noncurrent assets:		
Investments (Note 3)	523,582,033	507,968,481
Tuition contracts receivable (Note 4)	48,366,494	47,073,582
Total assets	<u>\$ 651,316,181</u>	<u>\$ 637,665,991</u>
<b>LIABILITIES</b>		
Current liabilities:		
Amounts due to MET Program (Plans B and C)	\$ 2,997,641	\$ 2,704,865
Tuition benefits payable (Note 5)	56,000,000	46,000,000
Total current liabilities	<u>\$ 58,997,641</u>	<u>\$ 48,704,865</u>
Noncurrent liabilities:		
Tuition benefits payable (Note 5)	808,034,973	716,574,253
Total liabilities	<u>\$ 867,032,614</u>	<u>\$ 765,279,118</u>
<b>NET ASSETS</b>		
Net assets (deficit) - Unrestricted	<u>\$ (215,716,433)</u>	<u>\$ (127,613,127)</u>
Total net assets (deficit) (Note 2)	<u><u>\$ (215,716,433)</u></u>	<u><u>\$ (127,613,127)</u></u>

The accompanying notes are an integral part of the financial statements.

**MICHIGAN EDUCATION TRUST PLAN D**  
**Statement of Revenues, Expenses, and Changes in Net Assets (Deficit)**  
**Fiscal Years Ended September 30**

	<u>2011</u>	<u>2010</u>
<b>OPERATING REVENUES</b>		
Interest and dividends income	\$ 12,580,856	\$ 11,085,276
Net increase (decrease) in the fair value of investments	(12,963,427)	33,440,017
Other miscellaneous income	62,679	46,442
Total operating revenues	<u>\$ (319,892)</u>	<u>\$ 44,571,735</u>
<b>OPERATING EXPENSES</b>		
Salaries and other administrative expenses	\$ 2,948,174	\$ 2,731,004
Tuition benefit expense (Note 6)	84,835,240	116,786,206
Total operating expenses	<u>\$ 87,783,414</u>	<u>\$ 119,517,210</u>
Operating income (loss)	<u>\$ (88,103,306)</u>	<u>\$ (74,945,475)</u>
Increase (Decrease) in net assets	\$ (88,103,306)	\$ (74,945,475)
Net assets (deficit) - Beginning of fiscal year	<u>(127,613,127)</u>	<u>(52,667,652)</u>
Net assets (deficit) - End of fiscal year (Note 2)	<u><u>\$ (215,716,433)</u></u>	<u><u>\$ (127,613,127)</u></u>

The accompanying notes are an integral part of the financial statements.



MICHIGAN EDUCATION TRUST PLAN D  
Statement of Cash Flows  
Fiscal Years Ended September 30

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Contract receipts	\$ 71,414,819	\$ 51,508,249
Interest and dividends received	12,466,642	11,079,249
Contract payments	(54,747,303)	(45,516,873)
Administrative and other expenses paid	(2,664,060)	(3,569,766)
Application and other fees collected	62,681	46,441
Net cash provided (used) by operating activities	<u>\$ 26,532,779</u>	<u>\$ 13,547,300</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investment securities	\$ (49,575,382)	\$ (22,608,765)
Proceeds from sale and maturities of investment securities	20,998,404	2,974,387
Net cash provided (used) by investing activities	<u>\$ (28,576,978)</u>	<u>\$ (19,634,378)</u>
Net cash provided (used) by - All activities	\$ (2,044,199)	\$ (6,087,078)
Cash and cash equivalents - Beginning of fiscal year	64,140,578	70,227,656
Cash and cash equivalents - End of fiscal year	<u>\$ 62,096,379</u>	<u>\$ 64,140,578</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (88,103,306)	\$ (74,945,475)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Unrealized and realized (gains) losses	12,963,427	(33,440,017)
Changes in assets and liabilities:		
Interest and dividends receivable	(114,214)	(6,028)
Tuition contracts receivable	42,037	2,388,255
Amounts due from contract purchaser	22,562	(31,637)
Amounts due from others	(31,222)	
Amounts due to MET Program (Plans B and C)	292,776	(681,252)
Tuition benefits payable	<u>101,460,720</u>	<u>120,263,454</u>
Net cash provided (used) by operating activities	<u>\$ 26,532,779</u>	<u>\$ 13,547,300</u>

The accompanying notes are an integral part of the financial statements.

# **NOTES TO THE FINANCIAL STATEMENTS**

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## **Note 1      Basis of Presentation and Reporting Entity**

### **a.      Basis of Presentation**

The financial statements of the Michigan Education Trust (MET) Plan D have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units.

### **b.      Reporting Entity**

MET was created under Act 316, P.A. 1986 (Sections 390.1421 - 390.1444 of the *Michigan Compiled Laws*), to operate a prepaid college tuition program. MET is governed by a 9-member Board of Directors that consists of 1 ex-officio member (the State Treasurer, acting as chair) and 8 public members who are appointed by the Governor with the advice and consent of the Senate. MET is administratively located within the Department of Treasury. The State Treasurer, as MET's agent, may not commingle funds and must maintain a separate bank account for MET. MET is a proprietary component unit of the State of Michigan and is reported as such in the *State of Michigan Comprehensive Annual Financial Report*. The accompanying financial statements present only MET Plan D. Accordingly, they do not purport to, and do not, present fairly the financial position and changes in financial position and cash flows of the State of Michigan or its component units, or MET Plans B and C, in conformity with accounting principles generally accepted in the United States of America as applicable to governmental units.

Act 316, P.A. 1986, empowers MET, on behalf of itself and the State of Michigan, to enter into a contract with a purchaser which provides that, in return for a specified actuarially determined payment, MET will provide a Michigan child's undergraduate tuition at any Michigan public university or community college. The purchase amount is based on several factors, including tuition costs, anticipated investment earnings, anticipated tuition rate increases, and the type of contract purchased. MET offers a full benefits contract, a limited benefits contract, and a community college contract. MET's property, income, and operations have been statutorily exempted from all taxation by the State and its political subdivisions. The Act and the contracts specifically provide that the State is not liable if MET becomes actuarially unsound. In that event, the contracts provide for refunds to participants based on a proportion of the remaining assets.

As of September 30, 2011, there have been 19 enrollment periods for MET. The 1988, 1989, and 1990 enrollments are known as Plans B and C. The 1995, 1997, 1998, 1999, 2000, 2002, 2003, 2004, 2005, 2006, 2007 (two enrollment periods), 2008, 2009, 2010 and 2011 enrollments are known as Plan D. The Plan D enrollments are accounted for and reported separately from the Plans B and C enrollments. These financial statements report only Plan D enrollments. Separate financial statements and actuarial valuation of Plans B and C enrollments are available from the MET office at P.O. Box 30198, Lansing, Michigan 48909.

## **Note 2      Summary of Significant Accounting Policies**

### **a.      Measurement Focus and Basis of Accounting**

The financial statements contained in this report are prepared using the economic resources measurement focus and the accrual basis of accounting as provided by accounting principles generally accepted in the United States of America as applicable to governmental units. Under the

accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Tuition benefit expense represents accretion of the tuition benefits obligation (see Notes 5 and 6).

As allowed by Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, MET follows all GASB pronouncements and those Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedures that were issued on or before November 30, 1989, except those that conflict with a GASB pronouncement. The FASB pronouncements issued after November 30, 1989 are not followed in the preparation of the accompanying financial statements.

b. Assets, Liabilities, and Net Assets

- (1) Cash and Cash Equivalents: Cash and cash equivalents reported on the statement of net assets include deposits with financial institutions and short-term investments with original maturities that are generally less than three months used for cash management rather than investing activities.
- (2) Investments: MET's deposits and investments are held in a fiduciary capacity by the State Treasurer. Act 316, P.A. 1986, authorizes the MET Board of Directors to invest MET's assets in any instrument, obligation, security, or property that it considers to be appropriate. The Act also authorizes the pooling of MET's investments with investments of the State, such as the pension funds, for investment purposes. Investments are carried at fair value (see Note 3).
- (3) Tuition Contracts Receivable: The present value of the future monthly purchase contract payments is recorded as a current and noncurrent asset of MET. In fiscal year 2010-11, the discount rate applied to expected future cash flows to determine present value was 7.01%. In fiscal year 2009-10, the discount rate was 7.4%.
- (4) Liabilities: The actuarial present value of the future tuition benefits obligation is recorded as a current and noncurrent liability of MET (see Note 5).
- (5) Net Assets (Deficit): MET's net assets represent the investment appreciation and the investment revenue in excess of (or less than) the actuarial present value of the future tuition benefits obligation and expenses (see Note 5). Positive net assets are restricted because of the contractual obligations MET must adhere to on behalf of the purchasers and beneficiaries for which prepaid tuition was collected and invested. Negative net assets are unrestricted. The enabling legislation for MET is Act 316, P.A. 1986. Section 17 of the Act indicates that the assets of the trust shall be preserved, invested, and expended solely pursuant to and for the purposes set forth in the Act and shall not be loaned or otherwise transferred or used by the State for any purpose other than the purposes of the Act.

Note 3     Deposits and Investments

a.     General Information

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, policies and practices with respect to custodial credit risk, foreign currency risk, interest rate risk, credit risk, and concentration of credit risk are discussed in the following paragraphs.

b.     Deposits

(1)   Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, MET will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. MET does not have a policy for custodial credit risk for deposits.

At the end of fiscal year 2010-11, the carrying amount of MET's deposits for Plan D and the amount reflected in the accounts of the banks was \$14,308,124. At the end of fiscal year 2009-10, the carrying amount of MET's deposits for Plan D and the amount reflected in the accounts of the banks was \$20,149,280. The September 30, 2011 and September 30, 2010 balances were covered by federal depository insurance or collateral held with MET's agent in MET's name and, therefore, were not exposed to custodial credit risk.

(2)   Foreign Currency Risk

Foreign currency risk for deposits is the risk that changes in exchange rates will adversely affect the fair value of a deposit. As of September 30, 2011 and September 30, 2010, MET had no foreign deposits.

c.     Investments

(1)   Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. MET does not have a policy to restrict interest rate risk for long-term investments.

The following table shows the fair value of investments for Plan D by investment type and in total (in millions) at September 30, 2011:

	Fair Value	Investment Maturities			
		Less Than 1 Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
Investments:					
Commercial paper	\$ 47.8	\$ 47.8	\$	\$	\$
U.S. agencies - backed	4.8				4.8
U.S. agencies - sponsored	4.0	4.0			
Corporate bonds and notes	151.2	34.6	38.1	78.5	
* Mutual funds	363.6				
Total investments	\$ 571.4	\$ 86.4	\$ 38.1	\$ 78.5	\$ 4.8
Less investments reported as "cash equivalents" on statement of net assets	(47.8)				
Total investments	\$ 523.6				
<u>As Reported on the Statement of Net Assets</u>					
Noncurrent restricted investments	\$ 523.6				
Total investments	\$ 523.6				

\* Mutual funds have no fixed income or duration and, therefore, are not segmented for time.

The following table shows the fair value of investments for Plan D by investment type and in total (in millions) at September 30, 2010:

	Fair Value	Investment Maturities			
		Less Than 1 Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
Investments:					
Commercial paper	\$ 44.0	\$ 44.0	\$	\$	\$
U.S. agencies - backed	10.4		4.0		6.4
Corporate bonds and notes	138.0	9.0	56.2	72.8	
* Mutual funds	359.6				
Total investments	\$ 552.0	\$ 53.0	\$ 60.2	\$ 72.8	\$ 6.4
Less investments reported as "cash equivalents" on statement of net assets	(44.0)				
Total investments	\$ 508.0				
<u>As Reported on the Statement of Net Assets</u>					
Noncurrent restricted investments	\$ 508.0				
Total investments	\$ 508.0				

\* Mutual funds have no fixed income or duration and, therefore, are not segmented for time.

(2) Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. MET limits investments in commercial paper, at the time of purchase, to the top two ratings issued by two national rating services: ratings of A-1 and A-2 from Standard & Poor's and ratings of P-1 and P-2 from Moody's Investors Service. MET's policy also limits investments in corporate bonds, at the time of purchase, to the top four ratings of the two rating services: ratings of AAA, AA, A, and BBB from Standard & Poor's and ratings of Aaa, Aa, A, and Baa from Moody's Investors Service. As of September 30, 2011, the fair value and credit quality ratings of investments were as follows:

Investment	Fair Value	Credit Quality Rating	
		Standard & Poor's	Moody's Investors Service
Government National Mortgage Association	\$ 4,799,916	Backed *	Backed *
Dodge & Cox (mutual fund)	36,094,836	Not Rated	Not Rated
John Hancock Funds, LLC (mutual fund)	37,125,122	Not Rated	Not Rated
The Vanguard Group, Inc. (mutual fund)	290,355,918	Not Rated	Not Rated
American Honda Finance Corp.	3,025,239	A+	A1e
Avon Products, Inc.	3,802,366	BBB+	A2
BB&T Corporation	4,637,569	A-	A3
BellSouth Corp.	5,637,082	A-	A2
Bottling Group, LLC	5,839,955	A	Aa3
Burlington Northern Santa Fe Railway	1,233,685	A+	Aa2
Cargill, Inc.	5,392,975	A	A2
Caterpillar Financial Services Corp.	5,877,345	A	A2
Dow Chemical Company	5,563,530	BBB	Baa3
E.I. du pont de Nemours and Company	4,201,379	A	A2
Emerson Electric Company	5,804,405	A	A2
Federal Home Loan Banks	4,000,000	AA+	Aaa
GATX Corp.	4,978,475	BBB	Baa1
GATX Corp. 2008-2 Pass-Through Trust	2,881,998	BBB+	A3
General Electric Capital Corp.	4,666,437	AA+	Aa2
Goldman Sachs Group, Inc.	4,156,777	A	A1
IBM Corp.	8,328,285	A+	Aa3
John Deere Capital Corp.	5,909,150	A	A2
Pfizer Inc.	2,843,703	AA	A1
Pitney Bowes Inc.	3,075,948	BBB+	A2
Precision Castparts Corp.	5,295,375	A-	A3
Rio Tinto Finance (USA) Limited	3,989,307	A-	A3
Seariver Maritime Financial Holdings, Inc.	24,227,853	AAA	Aaa
Target Corp.	3,845,947	A+	A2
Textron Financial Corp.	2,072,332	BB+	Baa3
US Central Federal Credit Union	5,002,165	AA+	Aaa
Verizon Communications, Inc.	5,797,865	A-	A3
Walgreen Co.	5,917,595	A	A2
Wells Fargo	5,206,315	AA-	A2
Wisconsin Electric Power Company	1,995,184	A-	A2
Total fair value	<u>\$523,582,033</u>		

\* Backed by the full faith and credit of the United States government.

As of September 30, 2010, the fair value and credit quality ratings of investments were as follows:

Investment	Fair Value	Credit Quality Rating	
		Standard & Poor's	Moody's Investors Service
Government National Mortgage Association	\$ 6,372,602	Backed *	Backed *
Dodge & Cox (mutual fund)	37,629,439	Not rated	Not rated
John Hancock Funds, LLC (mutual fund)	37,330,273	Not rated	Not rated
The Vanguard Group, Inc. (mutual fund)	284,593,791	Not rated	Not rated
Avon Products, Inc.	3,885,247	A-	A2
BellSouth Corp.	5,618,101	A	A2
Bottling Group, LLC	5,737,935	A	A2
Burlington Northern Santa Fe Railway	1,289,412	A+	Aa2
Cargill, Inc.	5,533,030	A	A2
Caterpillar Financial Services Corp.	5,796,400	A	A2
Dow Chemical Company	5,436,215	BBB-	Baa3
Emerson Electric Company	5,694,165	A	A2
Federal Home Loan Banks	3,999,932	AAA	Aaa
GATX Corp.	3,182,525	BBB+	A3
General Electric Capital Corp.	18,907,542	AA+	Aa2
IBM Corp.	8,361,402	A+	A1
John Deere Capital Corp.	5,794,885	A	A2
Pfizer Inc.	2,812,360	AA	A1
Pitney Bowes Inc.	3,255,258	BBB+	A1
Precision Castparts Corp.	5,345,840	A-	Baa1
Seariver Maritime Financial Holdings, Inc.	23,573,148	AAA	Aaa
Target Corp.	3,829,968	A+	A2
Textron Financial Corp.	2,082,788	BB+	Baa3
US Central Federal Credit Union	5,042,720	AAA	Aaa
Verizon Communications, Inc.	5,753,295	A	A3
Walgreen Co.	5,811,025	A	A2
Wal-Mart Stores, Inc.	5,299,184	AA	Aa2
Total fair value	<u>\$507,968,481</u>		

\* Backed by the full faith and credit of the United States government.

(3) Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of failure of the counterparty to a transaction, MET will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. MET's investments are registered in its name and, therefore, are not subject to custodial credit risk. MET does not have an investment policy for custodial credit risk.

(4) Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of MET's investments with a single issuer. MET does not have a policy to limit concentration of credit risk.



As of September 30, 2011 and September 30, 2010, MET did not have any investments subject to this type of risk.

(5) Foreign Currency Risk

Foreign currency risk for investments is the risk that changes in exchange rates will adversely affect the fair value of investments. As of September 30, 2011 and September 30, 2010, MET had \$52,680,317 and \$56,474,070, respectively, of mutual fund investments subject to foreign currency risk.

Note 4 Tuition Contracts Receivable

The following table summarizes tuition contracts receivable for monthly purchase contracts (in millions) as of September 30:

	<u>2011</u>	<u>2010</u>
Tuition contracts receivable	\$ 64.1	\$ 64.1
Less current value contracts receivable	15.7	17.0
Long-term tuition contracts receivable	<u>\$ 48.4</u>	<u>\$ 47.1</u>

Note 5 Tuition Benefits Payable and Net Assets (Deficit)

The standardized measurement of the total tuition benefits obligation of MET is the actuarial present value of the future tuition benefits obligation that will be paid in future years. The tuition benefits obligation is actuarially calculated by projecting the weighted average tuition cost, including mandatory fees, at the assumed annual rate of increase and then calculating the expected present value of the future distributions from the trust based on the investment income and discount rate assumptions. The following table shows the net value of total assets less nontuition liabilities, the present value of total tuition benefits obligation, and the net assets (deficit) of MET Plan D (in millions) as of September 30:

	<u>2011</u>	<u>2010</u>
Net value of total assets less nontuition liabilities	\$ 648.3	\$ 635.0
Present value of total tuition benefits obligation	<u>864.0</u>	<u>762.6</u>
Net value of assets in excess of tuition benefits obligation	<u>\$ (215.7)</u>	<u>\$ (127.6)</u>
Net value of assets as a percentage of total tuition benefits obligation	75.0%	83.3%

The deficit in net assets is a direct result of the future tuition benefits obligation exceeding the value of assets (unfunded tuition benefit liability). Differences between future assumptions related to actual investment returns and actual tuition increases will affect the net assets or unfunded tuition liability.

The most important assumptions used in the actuarial valuations include the following:

- (1) The investment yield that is applied to expected future cash flows to determine present value was changed to 7.01% as of September 30, 2011 for the first 10 years. This is a decrease from the 7.40% as of September 30, 2010. The investment yield decrease was a result of revised expected returns in equity, bonds, and cash investments. The 7.01% is the long-term earnings rate expected

from the assets of MET for the first 10 years. In addition, the 7.01% investment yield is net of any investment expenses charged to MET. The investment yield assumption is based on the earnings of MET's investment portfolio together with estimates of the yields that will be available on reinvestment of income.

- (2) For fiscal year 2010-11, the projected tuition increase was 7.10% compounded annually for all future years. The MET Board of Directors considered the relationship of tuition increases to the consumer price index in determining the tuition increase assumption of 7.10%.
- (3) There was no tax effect from federal income tax.
- (4) MET will pay 110% of the MET weighted average tuition in benefits and refunds.

Presented below are the key assumptions used in the actuarial valuations for Plan D:

	Fiscal Years				
	2010-11	2009-10	2008-09	2007-08	2006-07
Tuition increase	7.10%	6.50%	6.50%	7.30%	7.30%
Tuition increase - long-term	7.10%	6.50%	6.50%	7.30%	7.30%
Present value discount rate	7.01%	7.40%	9.50%	7.50%	7.50%

The following summarizes the tuition benefits payable (in millions) as of and for the fiscal years ended September 30, 2011 and September 30, 2010:

Balance at October 1, 2009	\$ 642.3
Tuition benefit expense provision	165.8
Payments	(45.5)
Balance at September 30, 2010	\$ 762.6
Tuition benefit expense provision	156.2
Payments	(54.7)
Balance at September 30, 2011	<u>\$ 864.0</u>

The amounts due within one year for tuition benefits payable for the fiscal years ended September 30, 2011 and September 30, 2010 are \$56.0 million and \$46.0 million, respectively. The actuarial assumptions described in this note have a significant impact on the tuition benefit liability. Actual results may differ from the assumptions utilized.

#### Note 6 Tuition Benefit Expense

Tuition benefit expense is recognized each year and reflects the changes in the present value of the tuition benefits payable from new contracts and for increases and decreases in tuition payments compared to actuarial tuition assumptions. The actuarial assumptions adopted by the MET Board of Directors have a significant impact on the calculation of the tuition benefit expense.

During fiscal year 2010-11, the tuition benefit expense decreased from fiscal year 2009-10 as a result of changes in the actuarial assumptions for the investment yield.

Note 7 Tax Status

On November 8, 1994, the U.S. Court of Appeals for the Sixth Circuit ruled that MET is an integral part of the State of Michigan; thus, the investment income realized by MET is not currently subject to federal income tax.

Distributions made in excess of contributions (whether to the refund designee or the beneficiary or to a college on behalf of the beneficiary) are taxable income to the refund designee or the beneficiary. After January 1, 2002, these excess distributions are no longer subject to federal income tax if used for qualified higher education expenses. The federal Pension Protection Act, enacted in August 2006, provides permanent tax exemption for Internal Revenue Code Section 529 qualified tuition programs.

On August 20, 1996, the Small Business Job Protection Act of 1996 (known as the "1996 Tax Act") was signed into law. The 1996 Tax Act included a provision adding a new section to the Internal Revenue Code of 1986 defining "qualified tuition programs." A qualified tuition program is generally exempt from income tax but is subject to unrelated business income tax. MET has no unrelated business income.

In May 1997, MET submitted a request for ruling to the Internal Revenue Service (IRS) for verification that MET is in compliance with the 1996 Tax Act. On December 23, 1997, the IRS issued a favorable ruling, which confirms that MET meets the requirements for exemption from federal income tax as a state qualified tuition program described in Section 529 of the Internal Revenue Code.

Note 8 Risk Management

MET participates in the State of Michigan's (primary government) risk management program. The State is self-insured for most general liability and property losses; portions of its employee insurance benefit and bonding programs; and automobile liability, workers' compensation, and unemployment claims. The State Sponsored Group Insurance Fund and Risk Management Fund (internal service funds) have been established by the State to account for these self-insured risk management programs. As a participant, MET recognizes expenses for payments made to the State in a manner similar to purchasing commercial insurance. Charges to finance the self-insured programs are based on estimates of amounts needed to pay prior and current year claims as determined annually by the Department of Technology, Management, and Budget.

Note 9 Pension Plans

MET employees are State classified employees who are covered by the State Employees' Retirement System Defined Benefit or Defined Contribution Plans. Detail and data regarding the Plans' descriptions, accounting policies, vesting and eligibility requirements, actuarial cost methods and assumptions, funding status and requirements, and 10-year historical trend information are provided in the Plans' detailed financial reports. State statutes provide retired employees with other postemployment benefits, such as health, dental, vision, and life insurance coverage based on vesting and other requirements. The cost of retiree health care and other benefits is allocated by the Office of Retirement Services and funded on a pay-as-you-go basis.

MET was billed and paid an average 37.4% and 33.3% of its payroll costs for pension charges and retiree postemployment benefits in fiscal years 2010-11 and 2009-10, respectively. The Plans' detailed financial statements can be obtained from the Office of Retirement Services, Department of Technology, Management, and Budget, 7150 Harris Drive, P.O. Box 30171, Lansing, Michigan 48909.

# ***CONTRACT AMENDMENT***

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Please keep this notice with your MET file:

## **Amendment of Full Benefits, Limited Benefits and Community College Contracts:**

At the Michigan Education Trust (MET) Board of Director's meeting held on September 22, 2011, the Board voted approval of an Amendment to the defined term "Appointee" on all contracts purchased from 1988-2009.

The definition was expanded to allow a Purchaser to select an Appointee as successor Purchaser in the event of the death or disability of the Purchaser:

**SECTION 1. DEFINITIONS OF CONTRACT TERMS** Appointee means the Person named in the Contract Signature Page, who will receive correspondence concerning the Contract and, in addition, the Person whom the Purchaser may select to be the Refund Designee and/or the successor Purchaser upon the death or incapacity of the Purchaser.

This language is already in contracts purchased during the 2010 and future enrollment periods.

To name an Appointee listed as successor Purchaser requires submission of form 4502 "Request to Add/Change Appointee." The Purchaser must sign and date the form.

If you currently have an Appointee listed on your MET contract and would like to name them as successor Purchaser, you may write in "Current" in the "New Appointee" name section and check "Yes" after "Do you want the Appointee to become the Purchaser in the event of the Contract Purchaser's death?" You may copy the attached form if needed.

If you would like to add an Appointee, please complete the form and submit to MET. You may indicate on the form if the Appointee is to be named successor Purchaser.

Contract Number(s)

## Michigan Education Trust Request to Add/Change Appointee

Issued under Public Act 316 of 1986. Filing is mandatory.

### PURCHASER INFORMATION

Name	Social Security Number
Street Address	Daytime Telephone (       )
City, State, ZIP Code	E-mail Address

### NEW APPOINTEE

Name	Social Security Number
Street Address	Telephone Number (       )
City, State, ZIP Code	E-mail Address

As purchaser of the above Michigan Education Trust (MET) contract, I request that MET add/change the person named as Appointee to the person listed above.

Signature of Purchaser	Date
------------------------	------

Do you wish the Appointee to become the Purchaser in the event of the Contract Purchaser's Death? ☐ Yes ☐ No

**MAIL TO:**  
**Michigan Education Trust**  
**P.O. Box 30198**  
**Lansing, Michigan 48909**  
**Fax: (517) 373-6967**

Fold here

1st Class  
Postage  
Required

Michigan Education Trust  
P.O. Box 30198  
Lansing MI 48909

Fold here

Contract Number(s)

## Michigan Education Trust Change of Address

It is important that we have correct addresses and phone numbers. Please notify us when a **permanent address** change is made. This will enable us to mail the appropriate individual important program information such as tax information used for income tax purposes. The MET contract is a legal document; therefore, any changes to the contract must be made in writing to the MET office and mailed (or faxed) to the address listed below. Either the Purchaser, Beneficiary or Appointee must sign this form. If change of address applies to more than one Beneficiary (student), please copy this form and submit a separate form for each Beneficiary (student).

**This change of address applies to (check all that apply):**

☐ Purchaser

☐ Beneficiary (student)

☐ Appointee

Name

E-mail Address

New Address

Daytime Telephone

(      )

City, State, ZIP Code

The Purchaser's signature is required to change Purchaser address. Purchaser may also sign to change address for an Appointee and a Beneficiary under 18 years of age.

**Purchaser Signature**

Date

The Beneficiary must be 18 years of age and can only change his/her address.

**Beneficiary Signature**

Date

The Appointee's signature is required to change Appointee's address. Appointee may also sign to change address for the Purchaser and a Beneficiary under 18 years of age.

**Appointee Signature**

Date

**MAIL TO:**  
**Michigan Education Trust**  
**P.O. Box 30198**  
**Lansing, Michigan 48909**

**Fax:**  
**(517) 373-6967**



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1st Class  
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Required

Michigan Education Trust  
P.O. Box 30198  
Lansing MI 48909

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## ***THE MET STAFF***

Robin R. Lott  
*Executive Director*

Joseph Asghodom  
*Finance Manager*

Jo Cooper  
*Departmental Manager*

Jim Peterson  
*Marketing Manager*

Jennifer Wallace  
*Outreach Manager*

Frank Webb  
*Marketing Analyst*

Diane Brewer  
*Policy Analyst*

Susan Bailey  
*Analyst*

Jchon Patton  
*Analyst*

Roger Shelley  
*Analyst*

Ratsamy Hakenjos  
*Accountant*

Megan Bounodono  
*Analyst*

Donald Fewes  
*Communications Assistant*

Linda Giles-Gordon  
*Executive Secretary*



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